



USAID
FROM THE AMERICAN PEOPLE

LAC-IEE-12-71

ENVIRONMENTAL THRESHOLD DECISION

Activity Location:	Guatemala
Activity Title:	SO 2: Economic Growth
Activity Number:	520-0436
Life-of-Activity-Funding:	\$115 million
Life-of-Activity:	FY 2004 – FY 2014
IEE Prepared by:	Liliana Gil, USAID/Guatemala
Reference Environmental Threshold Decisions (ETD):	<ul style="list-style-type: none">LAC-IEE-04-46 (Original)LAC-IEE-06-09 (Fires)LAC-IEE-06-42 (Post-Stan)LAC-IEE-07-35 (Biodiesel)LAC-IEE-07-52 (Tourism, Forestry and Ag)LAC-IEE-08-12 (Disperse Houses-Stan)LAC-IEE-08-46 (Protecting our Investments, DOI/USAID PAPA)LAC-IEE 08-54 (Economic Growth fund increase and period extension)LAC-IEE-09-71 (Economic Growth fund Increase, period extension and new infrastructure component)LAC-IEE-10-77(Economic Growth fund Increase and period extension)LAC-IEE-11-13 (Strengthening Governance in the Maya Biosphere Reserve)LAC-IEE-11-69 (Economic Growth fund Increase and period extension)LAC-IEE-12-11 (Rural Value Chains Activity (RVC))

Recommended Threshold Decision: Categorical Exclusion
 Negative Determination
 Negative Determination with Conditions
 Positive Determination
 Deferral

Bureau Threshold Decision: Concur with recommendation

Comments:

This Environmental Threshold Decision amends the above referenced ETDs to extend the implementation period of SO 2 through September 13, 2014 to allow for a smooth transition into the implementation of projects under the new Country Development Cooperation Strategy (CDCS). There is no additional life-of-activity funding for the extension. All threshold decisions and conditions specified in previous amendments remain valid through the extension.

The current ETDs for SO2 activities are repeated below:

A **Categorical Exclusion** is issued to those activities involving technical assistance, training, analyses, studies, workshops, document transfers, and others that will not have an impact on the environment. Applicable sections of 22 CFR 216.2(c)(2)(i) include:

- (i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (**such as construction of facilities, etc.**);
- (xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (**such as construction of facilities, etc.**); and

Negative Determination was issued to “Protecting our Investments – Department of the Interior/USAID PAPA” activities such as watershed mapping and resources assessments, flow monitoring equipment and installation, and water quality monitoring resources.

Negative Determination with Conditions was issued to Intermediate Result 1 (Laws, Policies, and Regulations that Promote Trade and Investment) activities that promote a change in land use or land use policy, for activities under IR2 (More Competitive, Market-Oriented Private Enterprises), and for microfinance activities under IR3. Specific conditions for each of these activities are within the respective IEE amendments and are consolidated within a matrix in the LAC-IEE-09-71.

A **Negative Determination with Conditions** was issued to the new small-scale infrastructure components of the Economic Growth program.

A **Negative Determination with Conditions**, pursuant to 22 CFR 216.3 (a) (3) (iii), was issued to the Maya Biosphere Reserve DOI Program for the building, installation, or refurbishing of various forms of small-scale infrastructure, pursuant to the following conditions:

- Implementing partners shall follow USAID's "Environmental Guidelines for Development of Activities in Latin America and the Caribbean". This document is available at the following website:
http://transition.usaid.gov/locations/latin_america_caribbean/environment/docs/epiq/epiq.html
- Upon identification of site-specific actions, the implementing partner shall develop an Environmental Mitigation Plan (EMP) using the format found in appendix A of the LAC-IEE-11-13 that outlines possible on-site environmental issues, describes specific actions being taken to mitigate these impacts, and presents the monitoring methods that will be used to determine the effectiveness of the mitigation measures. This EMP will be submitted to the Agreements Officer Representative (AOR) and the Mission Activity Manager for approval by the Mission Environmental Officer (MEO) prior to implementation. In addition, the implementing partner must comply with host country environmental regulations and obtain all required permits from the appropriate host country officials. In case of conflict between host country and USAID regulations, the more stringent regulations will apply. Regular reporting by the implementing partner to the AOR will include a section on environmental compliance.

A **Categorical Exclusion** was issued to those activities involving technical assistance, training, analyses, studies, workshops, document transfers, and others that will not have an impact on the environment such as actions listed under LAC-IEE-11-69, Activity 1, Promoting Food Security and Trade Integration through Sanitary and Phytosanitary Standards (SPS) and other Agriculture-related Capacity building, portions of Activity 2, **Rural Value Chains Activity (RVC)**, Activity 4, **New Environment Activity** (Climate, Nature and Communities in Guatemala), Activity 8 **Economic Observatory**, and Activity 9, **Monitoring and Evaluation**. Applicable sections of 22 CFR 216.2(c) (2) include:

- (i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (**such as construction of facilities, etc.**);
- (xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (**such as construction of facilities, etc.**)

A **Categorical Exclusion** was issued to the LAC-IEE-11-69, Activity 3, "**Enhance Scientific Capacity at Guatemalan Institutions for Long-Term Monitoring and**

Restoration Efforts at Lake Atitlan—*Unidos por un Lago Atitlán Vivo* since the chemicals to be used for research will be stored, utilized, and disposed of entirely at the Universidad del Valle's research lab in a proper way. The applicable section of 22 CFR 216.2(c)(2) is:

- (ii) Controlled experimentation exclusively for the purpose of research and field education which are confined to small areas and carefully monitored;

A **Negative Determination with Conditions** was issued to the small-scale infrastructure, and water and sanitation activities of ongoing activities of Activity 4, **New Environment Activity**, and Activity 7 **Consolidation and Sustainability of the Resettlement Process of families affected by Tropical Storm Stan**. An EMP will be required for these activities as described below.

- The Negative Determination with Conditions requires that the implementing partners prepare an EMP describing how they will, in specific terms, implement mitigation measures and standard design criteria that will significantly reduce or eliminate potential adverse impacts on the environment that may occur as a result of their activities. The EMP shall include a plan to monitor the implementation of mitigation measures and their effectiveness. This EMP will be integrated into the initial and subsequent work plans, making any necessary adjustments to activity implementation in order to minimize adverse impacts to the environment. EMPs shall be submitted to the AOR/COR and approved by the REA prior to initiating the activity. Language reflecting this condition will be included in all agreements and contracts for implementing these components. Guidance on preparation of the EMP will be provided to the contractor as part of the Request for Proposals. The EMP guidelines are attached to this IEE.
- Implementing partners shall incorporate appropriate sections of USAID's "Environmental Guidelines for Development of Activities in Latin America and the Caribbean." into their EMPs. This document is available at the following website: http://transition.usaid.gov/locations/latin_america_caribbean/environment/docs/epiq/epiq.html
- A condition precedent for activities that have a Negative Determination with Conditions and Positive Determinations is that the Mission hires a qualified deputy Mission Environmental Officer (MEO) to meet its environmental compliance needs for implementing these new and ongoing activities. The Mission will need the additional support to be able accomplish its Economic Growth program in a way that is environmentally compliant and sustainable. It is essential that the Mission have the capacity to do field inspections and monitoring, adaptive management, evaluations, training and orientation of partners, and other duties outlined in USAID/Guatemala's Mission Order. The deputy MEO should be hired before implementation of new activities or within 90 days of the signing of this Environmental Threshold Decision.

- All major implementing partners of activities that have issued a Negative Determination with Conditions or a Positive Determination will have a qualified environmental compliance experts and the management capacity for carrying out these conditions and EA recommendations.

A **Negative Determination with Conditions** was issued to LAC-IEE-11-69, Activity 5, **Sustainable Forest Management DCA Loan Guarantee for Community-Based Forestry Enterprises**, and activity 6, **Food Security DCA**, because of the connection with agricultural and forest management activities, subject to the following conditions:

- Activities 5 and 6 will include training of the credit institutions in environmental impact awareness and sustainability, and will provide the credit institutions with the USAID/LAC Environmental Guidelines, especially Chapter 4, *Environmental Issues and Best Practices for Microfinance Institutions and Micro and Small-Scale Enterprises*, and other appropriate environmental guidelines related to the loan portfolio, including the Mission's Environmental Assessments on forestry and agricultural activities, to share them with loan recipients.
- Activities 5 and 6 will ensure that all participating credit institutions have established environmental review procedures for loan applications, using the materials mentioned above include as appropriate to their lending portfolios.

A **Negative Determination with Conditions** to the Rural Value Chains Activity (RVCP), for which a deferral had been previously issued under LAC-IEE-11-69. Conditions include:

- The RVCP will follow the attached Annex 1 to LAC-IEE-12-11, Evaluation of the Potential Environmental Impacts of the RVCP Activities (*Evaluación de los Impactos Ambientales Potenciales de las Actividades de RVCP*).
- All Coffee and horticultural small-scale producers supported under the Rural Value Chains program will be trained and will implement good agricultural practices to comply with international market standards and will comply with international certifications such as GlobalGAP or similar standards.
- RVCP will develop standards for water discharge from wet coffee processing, and appropriate technology and design guidelines (such as biogas digesters and oxygenation ponds) will be developed to effectively treat discharge water.
- RVCP activities will follow the recommendations of USAID/Guatemala's Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP), which was approved through LAC-IEE-12-41 dated August 15, 2012.
- Appropriate environmental guidelines and/or mitigation measures have to be developed for activities with negative determination with conditions. The Recipient shall follow USAID's "Environmental Guidelines for Development of Activities in

Latin America and the Caribbean", especially Chapter 2 regarding small-scale infrastructure, to identify mitigation measures. This document is available at the following website:

- http://transition.usaid.gov/locations/latin_america_caribbean/environment/docs/epiq/epiq.html

Upon identification of site-specific actions, the recipient shall develop an EMP to be submitted to the AOR for approval by the Mission Environmental Officer (MEO) and Regional Environmental Advisor (REA) prior to implementation (See the following links for guidance on EMP development and implementation

- http://transition.usaid.gov/gt/docs/emp_format.pdf (English version)
- http://transition.usaid.gov/gt/espanol/docs/emp_format_spanish.pdf (Spanish version).
- USAID/Guatemala will conduct an environmental compliance audit of RVCP activities, the SOW of which will be developed in consultation with the MEO and REA, and be completed after one year of implementation (o/a February 2013). Audit recommendations will be incorporated into subsequent work plans of all implementers.

A Positive Determination was issued to all activities involving pesticide purchase or use, including pesticide purchase or use for Post-Stan reconstruction training activities.

A Positive Determination was issued to the Strengthening Governance in the Maya Biosphere Reserve DOI Program, pursuant to 22 CFR 216.3 (a) (2) (iii), is recommended for all land use and recovery activities related to community forestry concessions. As such, an Environmental Assessment developed and approved by the LAC Bureau Environmental Officer in accordance with 22 CFR 216.6 will be required prior to initiation of these forest management activities.

A Deferral was issued to all activities involving pesticide purchase or use, including training for IR2 activities, for all activities associated with construction of new housing developments and associated infrastructure, and for the forestry activities contemplated in the western highlands.

Responsibilities

- Each activity manager or **Contracting (or Agreement) Officer Representative (COR/AOR)** is responsible for making sure environmental conditions are met (ADS 204.3.4). In addition, COR/AORs are responsible for ensuring that appropriate environmental guidelines are followed, mitigation measures in the IEE are funded and implemented, and that adequate monitoring and evaluation protocols are in place to ensure implementation of mitigation measures.

- It is the responsibility of the **Strategic Objective (SO) Team** to ensure that environmental compliance language from the ETD is added to procurement and obligating documents, such as activity-related Development Objective Grant Agreements (SOAGs), program descriptions, and statements of work.
- The **Mission Environmental Officer** will conduct spot checks to ensure that conditions in the IEE and this ETD are met. These evaluations will review whether guidelines are properly used to implement activities under this ETD in an environmentally sound and sustainable manner according to USAID and applicable U.S. Government policies and regulations.
- The implementing **contractor or partner** will ensure that all activities conducted under this instrument comply with this ETD. Also, through its regular reporting requirements, a section on environmental compliance (e.g. mitigation monitoring results) will be included.

Amendments

- Amendments to Initial Environmental Examinations (IEE) shall be submitted for LAC Bureau Environmental Officer (BEO) approval for any activities not specifically covered in the IEE, which include:
 - Funding level increase beyond ETD amount,
 - Time period extension beyond ETD dates (even for no cost extension), or
 - A change in the scope of work, such as the use of pesticides or activities subject to Foreign Assistance Act sections 118 and 119 (e.g. procurement of logging equipment), among others.

Victor H. Bullen Date 09-26-2014
 Victor H. Bullen
 Bureau Environmental Officer
 Bureau for Latin America and the Caribbean

Copy to:

Kevin Kelly, Mission Director,
 USAID/Guatemala
 Nancy Hoffman, DD
 Mark Visocky, EG
 Dani Newcomb, EG
 Jeffrey Lehrer, PPS
 Teresa Robles, MEO

Copy to: Paul Schmidtke, Regional Environmental
Advisor, USAID/El Salvador

Copy to: Nancy Eslick, Julie Ciccarone
LAC/CAM
Tracy Quilter, LAC/RSD

Copy to: IEE File

Attachment: Initial Environmental Examination

File: LAC.RSD.PUB\RSDPUB\ENV\Reg216\IEE\IEE12\LAC-IEE-12-71 ETD (GU -
SO 2 Amend 13 of LAC-IEE-04-46, 06-09, 06-42, 07-35, 07-52, 08-12, 08-54, 09-71,
10-77, 11-13, 11-69, 12-11).doc



USAID
FROM THE AMERICAN PEOPLE

**AMENDMENT No. 13 to
INITIAL ENVIRONMENTAL EXAMINATION LAC-IEE-04-46**

Activity Location: Guatemala

Objective: Economic Growth

Activity Number: 520-0436

Funding Source: DA, ESF

Funding: \$115 million

Duration: FY 2004 – FY 2014

IEE Prepared by: Liliana Gil, USAID/Guatemala

Reference ETDs: LAC-IEE-04-46
(Original)

Liliana Gil
nala

LAC-IEE-06-09 (Fires)
LAC-IEE-06-42 (Post-Stan)
LAC-IEE-07-35 (Biodiesel)
LAC-IEE-07-52 (Tourism, Forestry and Ag)
LAC-IEE-08-12 (Disperse Houses-Stan)
LAC-IEE-08-46 (Protecting our
Investments, DOI/USAID PAPA)
LAC-IEE 08-54 (Economic Growth fund
increase and period extension)
LAC-IEE-09-71 (Economic Growth fund
Increase, period extension and new
infrastructure component)
LAC-IEE-10-77(Economic Growth fund
Increase and period extension)
LAC-IEE-11-13 (Strengthening Governance
in the Maya Biosphere Reserve)
LAC-IEE-11-69 (Economic Growth fund
Increase and period extension)
LAC-IEE-12-11 (Rural Value Chains
Activity (RVC))

Date Prepared:

August 14, 2012

Recommended Threshold Decision:

- Categorical Exclusion
- Negative Determination
- Negative Determination with Conditions
- Positive Determination
- Deferral

1. Background**a. Previous ETD's**

On August 2, 2004, the Bureau Environmental Officer for Latin America and the Caribbean issued **LAC-IEE-04-46** for USAID-Guatemala activities to be implemented under the Economic Freedom: An Open, Diversified, Expanding Economy Objective (formally numbered as 520-022) subsequently amended through **LAC-IEE-06-09** for forest fires activities, **LAC-IEE-06-42** for Post-Stan Reconstruction (\$6 million), **LAC-IEE-07-35** for biodiesel activities, **LAC-IEE-07-52** for Tourism, Forestry and Agricultural Clusters, **LAC-IEE-08-12** for disperse housing under the Post-Stan reconstruction activity, **LAC-IEE-08-46** for Protecting our Investments, DOI/USAID PAPA, **LAC-IEE 08-54** to increase the funding amount from \$25.8 million to \$50 million and extend the Life-of-Activities through FY 2010, **LAC-IEE-09-71** to increase the funding amount from \$50 to \$58 million to include expected funding levels through FY 2009 and to add a new component regarding small-scale infrastructure, **LAC-IEE-10-77** to (1) increase the funding amount from \$58 million to \$80 million for activities to be implemented under the EG Objective, which includes the initial planning of the Feed the Future Initiative that align very well with previous years' activities under the SO; and, (2) extended the life-of-activity implementation period through FY 2011; **LAC-IEE-11-13** for Strengthening Governance in the Maya Biosphere Reserve (MBR) Program, **LAC-IEE-11-69** to increase funding amount from \$80 million to \$115 million and extend the life-of-activity implementation period through FY 2012 and **LAC-IEE-12-11** for Rural Value Chains Activity, Economic Growth.

These ETD's cover activities for \$115 million **for the period FY 2004-FY 2012** and included the following threshold decisions:

A **Categorical Exclusion** to those activities involving technical assistance, training, analyses, studies, workshops, document transfers, and others that will not have an impact on the environment. Applicable sections of to 22 CFR 216.2(c)(2)(i) include:

(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (**such as construction of facilities, etc.**);

(xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result

in activities directly affecting the environment (**such as construction of facilities, etc.**); and

Negative Determination to “Protecting our Investments – Department of the Interior/USAID PAPA” activities such as watershed mapping and resources assessments, flow monitoring equipment and installation, and water quality monitoring resources.

Negative Determination with Conditions for Intermediate Result 1 (Laws, Policies, and Regulations that Promote Trade and Investment) activities that promote a change in land use or land use policy, for activities under IR2 (More Competitive, Market-Oriented Private Enterprises), and for microfinance activities under IR3. Specific conditions for each of these activities are within the respective IEE amendments and are consolidated within a matrix in the LAC-IEE-09-71.

A **Negative Determination with Conditions** for the new small-scale infrastructure components of the Economic Growth program.

A **Negative Determination with Conditions**, pursuant to 22 CFR 216.3 (a) (3) (iii) for the Maya Biosphere Reserve DOI Program for the building, installation, or refurbishing of various forms of small-scale infrastructure, pursuant to the following conditions:

- Implementing partners shall follow USAID's "Environmental Guidelines for Development of Activities in Latin America and the Caribbean". This document is available at the following website:
http://transition.usaid.gov/locations/latin_america_caribbean/environment/docs/epiq/epiq.html
- Upon identification of site-specific actions, the implementing partner shall develop an Environmental Mitigation Plan (EMP) using the format found in appendix A of the LAC-IEE-11-13 that outlines possible on-site environmental issues, describes specific actions being taken to mitigate these impacts, and presents the monitoring methods that will be used to determine the effectiveness of the mitigation measures. This EMP will be submitted to the Agreements Officer Representative (AOR) and the Mission Activity Manager for approval by the Mission Environmental Officer (MEO) prior to implementation. In addition, the implementing partner must comply with host country environmental regulations and obtain all required permits from the appropriate host country officials. In case of conflict between host country and USAID regulations, the more stringent regulations will apply. Regular reporting by the implementing partner to the AOR will include a section on environmental compliance.

A **Categorical Exclusion** is issued to those activities involving technical assistance, training, analyses, studies, workshops, document transfers, and others that will not have an impact on the environment such as actions listed under LAC-IEE-11-69, Activity 1, Promoting Food Security and Trade Integration through Sanitary and Phytosanitary Standards (SPS) and other Agriculture-related Capacity building, portions of Activity 2, **Rural Value Chains Activity (RVC)**, Activity 4, **New Environment Activity** (Climate,

Nature and Communities in Guatemala), Activity 8 **Economic Observatory**, and Activity 9, **Monitoring and Evaluation**. Applicable sections of 22 CFR 216.2(c) (2) include:

(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (**such as construction of facilities, etc.**);

(xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (**such as construction of facilities, etc.**)

A **Categorical Exclusion** was issued to the LAC-IEE-11-69, Activity 3, “**Enhance Scientific Capacity at Guatemalan Institutions for Long-Term Monitoring and Restoration Efforts at Lake Atitlan—*Unidos por un Lago Atitlán Vivo***” since the chemicals to be used for research will be stored, utilized, and disposed of entirely at the Universidad del Valle’s research lab in a proper way. The applicable section of 22 CFR 216.2(c)(2) is:

(ii) Controlled experimentation exclusively for the purpose of research and field education which are confined to small areas and carefully monitored;

A **Negative Determination with Conditions** was issued to the small-scale infrastructure, and water and sanitation activities of ongoing activities of Activity 4, **New Environment Activity**, and Activity 7 **Consolidation and Sustainability of the Resettlement Process of families affected by Tropical Storm Stan**. An EMP will be required for these activities as described below.

- The **Negative Determination with Conditions** requires that the implementing partners prepare an EMP describing how they will, in specific terms, implement mitigation measures and standard design criteria that will significantly reduce or eliminate potential adverse impacts on the environment that may occur as a result of their activities. The EMP shall include a plan to monitor the implementation of mitigation measures and their effectiveness. This EMP will be integrated into the initial and subsequent work plans, making any necessary adjustments to activity implementation in order to minimize adverse impacts to the environment. EMPs shall be submitted to the AOR/COR and approved by the REA prior to initiating the activity. Language reflecting this condition will be included in all agreements and contracts for implementing these components. Guidance on preparation of the EMP will be provided to the contractor as part of the Request for Proposals. The EMP guidelines are attached to this IEE.
- Implementing partners shall incorporate appropriate sections of USAID's “Environmental Guidelines for Development of Activities in Latin America and the Caribbean.” into their EMPs. This document is available at the following

website:

http://transition.usaid.gov/locations/latin_america_caribbean/environment/docs/epiq/epiq.html

- A condition precedent for activities that have a Negative Determination with Conditions and Positive Determinations is that the Mission hires a qualified deputy Mission Environmental Officer (MEO) to meet its environmental compliance needs for implementing these new and ongoing activities. The Mission will need the additional support to be able accomplish its Economic Growth program in a way that is environmentally compliant and sustainable. It is essential that the Mission have the capacity to do field inspections and monitoring, adaptive management, evaluations, training and orientation of partners, and other duties outlined in USAID/Guatemala's Mission Order. The deputy MEO should be hired before implementation of new activities or within 90 days of the signing of this Environmental Threshold Decision.
- All major implementing partners of activities that have issued a Negative Determination with Conditions or a Positive Determination will have a qualified environmental compliance experts and the management capacity for carrying out these conditions and EA recommendations.

A Negative Determination with Conditions was issued to LAC-IEE-11-69, Activity 5, **Sustainable Forest Management DCA Loan Guarantee for Community-Based Forestry Enterprises**, and activity 6, **Food Security DCA**, because of the connection with agricultural and forest management activities, subject to the following conditions:

- Activities 5 and 6 will include training of the credit institutions in environmental impact awareness and sustainability, and will provide the credit institutions with the USAID/LAC Environmental Guidelines, especially Chapter 4, *Environmental Issues and Best Practices for Microfinance Institutions and Micro and Small-Scale Enterprises*, and other appropriate environmental guidelines related to the loan portfolio, including the Mission's Environmental Assessments on forestry and agricultural activities, to share them with loan recipients.
- Activities 5 and 6 will ensure that all participating credit institutions have established environmental review procedures for loan applications, using the materials mentioned above include as appropriate to their lending portfolios.

A Negative Determination with Conditions to the Rural Value Chains Activity (RVCP), for which a deferral had been previously issued under LAC-IEE-11-69. Conditions include:

- The RVCP will follow the attached Annex 1 to LAC-IEE-12-11, Evaluation of the Potential Environmental Impacts of the RVCP Activities (*Evaluación de los Impactos Ambientales Potenciales de las Actividades de RVCP*).

- All Coffee and horticultural small-scale producers supported under the Rural Value Chains program will be trained and will implement good agricultural practices to comply with international market standards and will comply with international certifications such as GlobalGAP or similar standards.
- RVCP will develop standards for water discharge from wet coffee processing, and appropriate technology and design guidelines (such as biogas digesters and oxygenation ponds) will be developed to effectively treat discharge water.
- RVCP activities will follow the recommendations of USAID/Guatemala's Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP), which was approved through LAC-IEE-12-41 dated August 15, 2012.
- Appropriate environmental guidelines and/or mitigation measures have to be developed for activities with negative determination with conditions. The Recipient shall follow USAID's "Environmental Guidelines for Development of Activities in Latin America and the Caribbean", especially Chapter 2 regarding small-scale infrastructure, to identify mitigation measures. This document is available at the following website:
 - http://transition.usaid.gov/locations/latin_america_caribbean/environment/docs/epiq/epiq.html
- Upon identification of site-specific actions, the recipient shall develop an EMP to be submitted to the AOR for approval by the Mission Environmental Officer (MEO) and Regional Environmental Advisor (REA) prior to implementation (See the following links for guidance on EMP development and implementation
 - http://transition.usaid.gov/gt/docs/emp_format.pdf (English version)
 - http://transition.usaid.gov/gt/espanol/docs/emp_format_spanish.pdf (Spanish version).
- USAID/Guatemala will conduct an environmental compliance audit of RVCP activities, the SOW of which will be developed in consultation with the MEO and REA, and be completed after one year of implementation (o/a February 2013). Audit recommendations will be incorporated into subsequent work plans of all implementers.

A Positive Determination for all activities involving pesticide purchase or use, including pesticide purchase or use for Post-Stan reconstruction training activities.

A Positive Determination is issued to the Strengthening Governance in the Maya Biosphere Reserve DOI Program, pursuant to 22 CFR 216.3 (a) (2) (iii), is recommended for all land use and recovery activities related to community forestry concessions. As such, an Environmental Assessment developed and approved by the LAC Bureau Environmental Officer in accordance with 22 CFR 216.6 will be required prior to initiation of these forest management activities.

A Deferral for all activities involving pesticide purchase or use, including training for IR2 activities, for all activities associated with construction of new housing developments and associated infrastructure, and for the forestry activities contemplated in the western highlands.

b. Environmental Compliance:

In order to ensure that environmental mitigations outlined in these ETD's, subsequent EA's and other environmental mitigation documents have been implemented, the following monitoring activities have been undertaken:

- USAID/Guatemala hired a deputy MEO and was announced through Staff Notice 29-12 dated June 28, 2012.
- AGEXPORT, ANACAFE, Mercy Corps, and Wildlife Conservation Society (a sub-grantee under the Cooperative Agreement with Rainforest Alliance) received training on how to prepare EMPs.
- In the case of tourism activities implemented by Counterpart International since they consist of technical assistance and training, the MEO determined that there is no need to prepare an EMP.
- ANACAFE, AGEXPORT, Mercy Corps, and Wildlife Conservation Society have their EMPs already approved by the Regional Environmental Advisor (REA).
- From April 23-27, 2012, the REA visited Guatemala and made an environmental monitoring visit to the project sites. Following are his conclusions:
 - 1) Application and use of pesticides and other agrochemicals by beneficiaries in the activity managed by AGEXPORT are in compliance with the PERSUAP approved in January 2010.
 - 2) Soil conservation and best agricultural practices actions outlined in approved EMP's for AGEXPORT and ANACAFE are being implemented and are effective.
 - 3) Both the ANACAFE and AGEXPORT programs are consistent with global Good Agricultural Practices (GAP) standards such as crop rotation and integrated pest management.
 - 4) Farmers are being taught to implement soil conservation practices such as contour planting and restricting the use of fire.
 - 5) For coffee activities, ANACAFE assists local cooperatives in obtaining and maintaining certifications such as a USDA Organic, Fair Trade, and others. To obtain and maintain certification, the coffee processing must be environmentally friendly, which requires beneficiaries to install and maintain water treatment facilities that preclude water heavily laden with organics from being discharged directly back into surface water. Residue from the water treatment facility is turned into compost and used as fertilizer. In the plantation itself, the use of chemicals and pesticides is also prohibited and thus beneficiaries are required to apply integrated pest management practices such as insect traps.

- 6) ANACAFE and its associated cooperatives are taking proactive measures to protect coffee plantations from soil erosion and watershed degradation by planting live barriers, using contour planting, leaving leaf litter and other organic matter on site and in some cases, digging small water catchments. These activities are consistent with the approved PERSUAP and with the approved Environmental Mitigation Plan.
 - 7) Vegetables grown in family garden plots include tomatoes, cabbage, radishes, cauliflower, squash, and others. These vegetables are grown organically using naturally available fertilizer such as compost and biological pest management methods. These activities are also consistent with the precursor environmental documentation.
- In the case of implementing partner Rainforest Alliance a Program Environmental Assessment has been required. The final draft of the report is under revision by the USAID/MEO.
 - Updated Programmatic Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) for the agriculture activities were prepared in consultation with implementing partners. It was approved by the LAC BEO through LAC-IEE-12-41 dated August 15, 2012.
 - A Negative Determination with Conditions was issued to the new small-scale infrastructure components of the Economic Growth program. Activities related to new small-scale infrastructure implementation have not begun.
 - **Community Habitat Reconstruction and Risk Reduction Activity:** Based on the results of the environmental assessment conducted by USAID in 2011, on May 25, 2012, USAID entered into a two-year agreement with UNDP to strengthen local capacities for the restoration of sanitary systems (treatment plants), reparation and maintenance of potable water systems, full occupation of houses and the proper use of productive spaces for the eight USAID-supported resettlement sites in San Marcos.
 - In the case of the Strengthening Governance in the Maya Biosphere Reserve DOI Program they only foreseen the implementation of legal evaluations of the land-use practices and no field activities related to this issue were implemented. Hence no environmental assessment was requested due to the nature of the proposed activities.

2. IEE Amendment

This amendment is prepared with the purposes of **extending the implementation period of SO 2 through September 13, 2014** in order to allow for a smooth transition into the implementation of projects under the new Country Development Cooperation Strategy (CDCS).

On-going programs under the existing SO 2 instruments remain valid and unchanged during this period which marks a transition to the CDCS 2012-2016 approved in March 2012 and incorporates appropriate aspects of the Multi-Year Strategy for FtF and the Global Climate Change Initiative. USAID/Guatemala will continue support for the creation and growth of micro, small- and medium-size businesses, especially in the horticulture, coffee, tourism, handicrafts and forestry sectors, through improved access to technical assistance, training, a component on limited small-scale infrastructure such as mini-irrigation systems, cold storage, and small processing and packing facilities to complement the technical assistance and training that we are already providing.

USAID/Guatemala hereby recommends that the LAC Bureau Environmental Officer concurs with an extension to the implementation period for the activities through September 13, 2014. All threshold decisions and conditions specified in previous amendments remain valid.

Concurrence:

Nancy L. Hoffman
Acting Mission Director

Date:

Concurrence:

Nancy L. Hoffman
Nancy L. Hoffman
Acting Mission Director


Date:

9/18/2012

**AMENDMENT No. 13 to
INITIAL ENVIRONMENTAL EXAMINATION LAC-IEE-04-46**

Drafted by: LGil, PPS/DNewcomb, EGO
Cleared by: MVisocky, EGO
 TRObles, MEO
 PSchmidtke, REA
 JLehrer, PPS
 NHoffman, DD

Drafted by: LGil, PPS/DNewcomb, EGO
Cleared by: MVisocky, EGO
 TRObles, MEO
 PSchmidtke, REA
 JLehrer, PPS

 9/17/2012
Maria Corraza, REA 9/17/2012
by e-mail 9/14/2012
J. Lehrer, PPS

Annex 1: Evaluación Impactos Ambientales Potenciales de las Actividades de RVCP

#	Componente	Descripción del Impacto	Medidas de Mitigación
1	CAMBIO CLIMÁTICO	Mediante la implementación de las actividades para la conservación de suelos, los posibles impactos son:	Las posibles medidas de mitigación propuestas para evitar estos impactos son las siguientes:
	Parcelas Demostrativas (Donación de Materiales, Insumos, Equipo y Mano de obra)	<ol style="list-style-type: none"> 1. <u>Barreras vivas</u>: la implementación de las mismas puede implicar una alteración en la flora natural del área. La utilización de especies que no sean nativas de la región, puede así mismo, provocar plagas. 2. <u>Barreras muertas</u>: en lluvias torrenciales, puede existir la posibilidad de un desprendimiento de los segmentos, ocasionando problemas en parte baja de la estructura. 3. <u>Acequias</u>: se puede provocar también mayor escorrentía superficial en caso de una mala construcción de la obra. En pendientes muy pronunciadas, la construcción de esta obra puede ocasionar mayor erosión. 4. <u>Tanque de captación de agua de lluvia</u>: la construcción de esta obra va a generar pequeños movimientos de tierra. 5. <u>Cajuelas</u>: la construcción de estas obras puede generar pequeños movimientos de tierras. 6. <u>Terrazas</u>: la construcción de esta obra puede causar movimientos de tierras. 	<ol style="list-style-type: none"> 1. <u>Barreras vivas</u>: Selección de especies conservadoras de suelos, nativas de la región, por ejemplo: Palo de Agua, Vetiver. Esto evita la proliferación de otras plagas. 2. <u>Barreras muertas</u>: Para pendientes mayores del 60% no se implementará esta práctica. 3. <u>Acequias</u>: trazar acequia utilizando curvas a nivel, para así evitar la escorrentía superficial que se pueda provocar. 4. <u>Tanque de captación de agua de lluvia</u>: Para no causar alteraciones y mayores movimientos de tierra, la profundidad de estos tanques no deben de ser mayores de 1 m. Alrededor de estas obras se puede sembrar vetiver o palo de agua, para proteger los bordes de la estructura. 5. <u>Cajuelas</u>: para evitar los impactos de esta pequeña obra se deben construir a dimensiones no mayores de las descritas: 40 x 50 x 40 cm. 6. <u>Terrazas</u>: estas deben ser construidas en forma perpendicular a la pendiente y todo el suelo que se remueva, deberá ser depositado en la parte inferior, en el área de plateado del café.
#	Componente	Descripción del Impacto	Medidas de Mitigación
2	RECONVERSIÓN DE BENEFICIOS HÚMEDOS DE CAFÉ	<p><u>Manejo de Sub-productos Sólidos</u></p> <p>El Manejo de sub-productos sólidos, a pesar de ser un subproducto orgánico, si no se maneja adecuadamente, puede generar malos olores durante su descomposición y en casos extremos contaminar fuentes de agua.</p>	La reconversión de beneficios húmedos de café, se hace a través de la implementación de tecnología apropiada, para manejar adecuadamente los productos y sub-productos de este proceso agroindustrial.
	Paso 1: Despulpado de café y extracción de pulpa	<p>En los beneficios convencionales, los impactos son:</p> <ul style="list-style-type: none"> • Utilización de un alto volumen de agua • Transporte de pulpa utilizando agua • Incorporación de sólidos orgánicos al agua. 	<ul style="list-style-type: none"> • Implementación tecnología especializada, tales como despulpadores que no utilizan agua para efectuar este proceso de remoción mecánica de la pulpa. • Implementación de sistemas mecánicos (cribas rotativas y tornillos helicoidales), que permiten la extracción de la pulpa del café en seco. • Sistemas de recirculación de aguas a través de equipos mecánicos.
	Paso 2: Aprovechamiento del subproducto	<p>El volumen acumulado de pulpa de café puede sufrir un proceso de descomposición, generando malos olores y en casos extremos contaminar fuentes de agua.</p> <p>Al mismo tiempo por su volumen, puede ocupar un área que no puede ser utilizada para otro fin productivo.</p>	<p>El manejo de este subproducto orgánico se hace a través de la implementación de prácticas agronómicas, enfocadas al aprovechamiento, a través de:</p> <ul style="list-style-type: none"> • Compostajes y lombricultura, para la producción de abonos orgánicos que son incorporados al sistema productivo (campo). • Producción de lombricompost (abono orgánico a base de pulpa de café), promoviendo la utilización de este producto de alto contenido nutricional, con el fin de reducir la dependencia y utilización de fertilizantes químicos.

2	RECONVERSIÓN DE BENEFICIOS HÚMEDOS DE CAFÉ	<p><u>Manejo de Sub-productos Líquidos</u></p> <p>Este proceso, convencionalmente se realiza utilizando altos volúmenes de agua, en donde dicho subproducto (mucilago) se disuelve, afectando así la calidad química y bioquímica del agua.</p>	Reconversión de beneficios húmedos de café e implementación de sistemas de manejo para aguas residuales, aplicando tecnología apropiada.
	Paso 1: Utilización de agua en el proceso	<p>En los beneficios convencionales, los impactos son:</p> <ul style="list-style-type: none">• Utilización de altos volúmenes de agua, entre 1,000 a 3,000 litros de agua por cada quintal de café pergamino seco procesado.• Dificultad en el manejo y disposición final del agua.	<p>Implementación de tecnología especializada para el beneficiado húmedo del café:</p> <ul style="list-style-type: none">• Equipo de bombeo para recirculación de agua durante los procesos de despulpado, logrando así una reducción en la utilización del agua, alrededor del 90%.• Reducción del uso de agua durante el proceso, logrando entre 100 y 300 litros de agua por cada quintal de café pergamino seco (producto final).
#	Componente	Descripción del Impacto	Medidas de Mitigación
	Paso 2: Manejo y disposición final de las aguas residuales "mieles"	<p>Convencionalmente las aguas mieles se captaban en:</p> <ul style="list-style-type: none">• Fosas y lagunas artificiales de oxidación, sistemas que permiten la oxidación final de las aguas, pero, sin ningún tratamiento.• Dichos dispositivos son insuficientes e ineficientes por el volumen de agua utilizado.	<p>Implementación de tecnología especializada para el manejo de aguas residuales "mieles", a través de:</p> <ul style="list-style-type: none">• Pre-tratamiento físico – implementación del siguiente equipo: Cribas rotativas, canales de tamizado, separadores de sólidos, pilas de sedimentación y filtros. Con el fin de separar los sólidos de mayor tamaño (pulpa, trazas de mucilago y lodos).• Tratamiento químico/biológico – aplicación de hidróxido de calcio y agentes biológicos. Con el fin de estabilizar el pH y propiciar el desarrollo de agentes biológicos que aceleren la reducción de la materia orgánica y mejoren la calidad del agua.• Manejo de lodos orgánicos – recolección, deshidratación y compostaje. Con el fin de que puedan ser incorporados al proceso de compostaje o producción de lombricompost.• Disposición final de las aguas tratadas – Lagunas de oxidación final y sistemas de acequias. Con el fin de captar las aguas tratadas que para establecer sistemas de reúso.




USAID
FROM THE AMERICAN PEOPLE

GUATEMALA

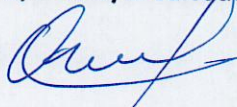
MEMORANDUM TO THE FILE

Date: November 5, 2012

To: Note to the File.

Through: Mark Visocky, EGO DIR 

CC: Kevin Kelly, DIR
Victor Bullen, BEO, LAC
Paul Schmidtke, REA, USAID/El Salvador

From: Oscar Murga, MEO 

Re: Rural Value Chains Project / Feed the Future Municipalities and Protected Areas

This Memorandum to the File provides supplementary information to the Environmental Threshold Decision (reissue of LAC-IEE-12-55 ETD) made on October 18, 2012 for the USAID/Guatemala CDCS DO2, Improved Levels of Economic Growth and Social Development in the Western Highlands, IR 2.1: Broad Based Economic Growth and Food Security Improved, which includes the Negative Determination with Conditions for the Rural Value Chains Project (RVCP). This file provides additional environmental baseline information documenting that the RVCP will not have an adverse impact on biodiversity (protected areas and endangered/threatened species) in the Western Highlands of Guatemala.

While the maps below (1a, b, c, d, e) indicate that there are protected areas within the RVCP /FTF municipalities, the following bullets provide additional explanatory information about how the implementation of agricultural and coffee activities will be avoided in the protected areas, and in some instances, how RVCP activities may in fact enhance overall biodiversity in the region.

1. RVCP program partners, AGEXPORT and ANACAFE, will work only with established coffee and horticultural producers working on land already under cultivation. NO new lands will be cleared or started under production and no interventions in protected areas, will be undertaken. Regardless, due to the topography (extremely steep slopes) and altitude of these protected areas, several of which are volcanoes, there is extremely limited agricultural potential in the protected slopes.
2. RVCP cooperative agreements include specific requirements to comply with Reg. 216 and their ETD including the request of developing of EMMP/R for each region of work,

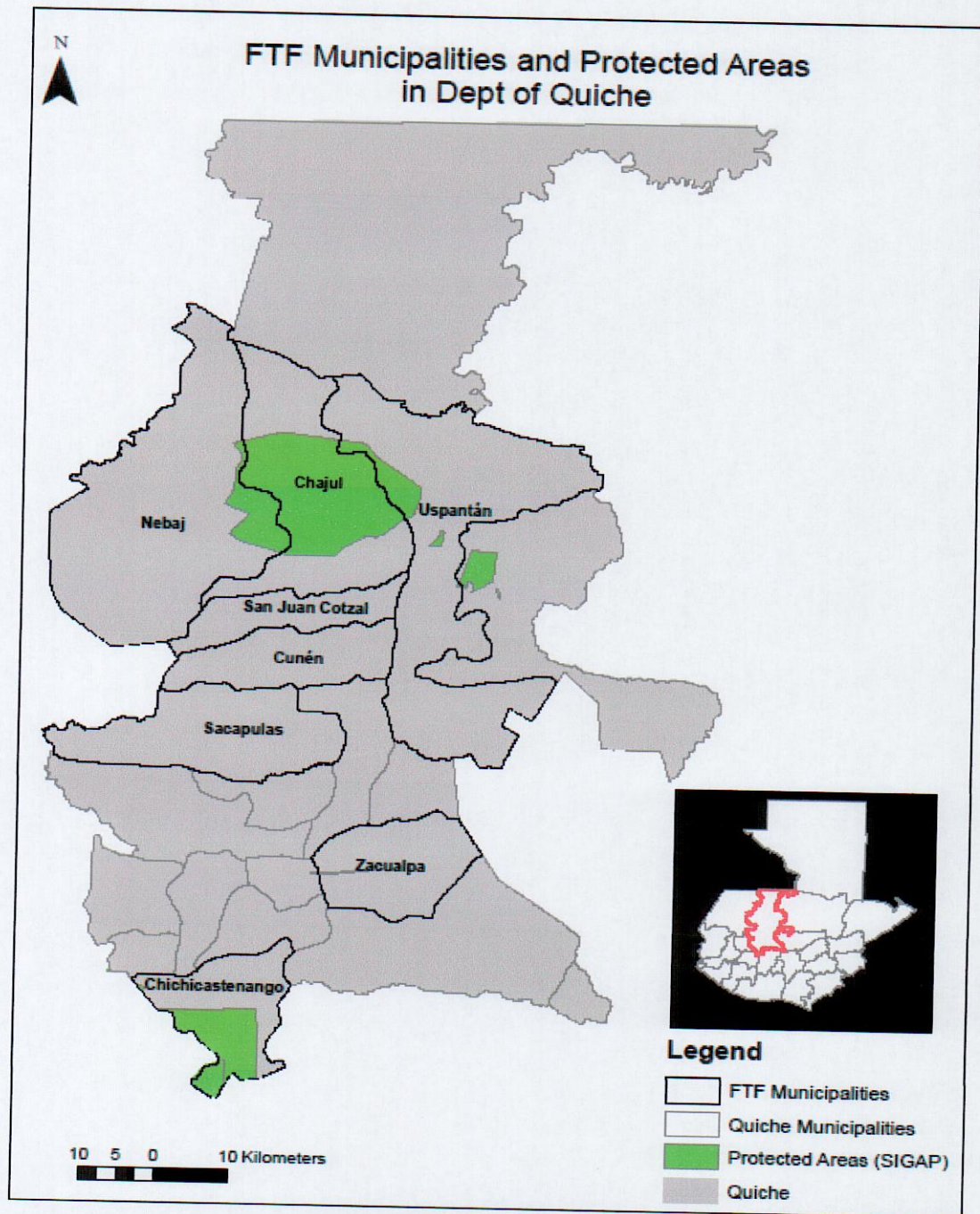
identification of potential environmental impacts, mitigation actions and their related monitoring and reporting timelines. These also include the specific prohibition for the implementation of activities in protected areas, as well as activities that promote the introduction of exotic plants or animals and provoke permanent modification of the habitat supporting any endangered species. Additionally, the AORs and MEO will do field visits, using EMMP/R checklists and each activity site will be located with a global positioning system device in order to assure that RVCP is complying with these requirements and that activities are not occurring within the limits of the protected areas.

3. Certified coffee production includes the use of agroforestry systems as part of the process of biodiversity conservation and forest protection compliance. These agroforestry areas often function as biological corridors and as forage/rest sites for migratory and resident bird species, thus providing a positive biodiversity impact for surrounding areas. Additionally, as is evident in the maps 2a, b, c, d and e, below; the protected areas in the five RVCP/FTF departments are highly isolated and lack connectivity. As such, agroforestry systems for coffee production that function as biological corridors and habitat, can add connectivity to these protected areas and may be important for biodiversity in a region that is otherwise dominated by previously cleared agricultural lands.
4. The Western Highlands as a region was not identified as a high conservation priority by the mission's own 118/119 analysis, with the exception of the Atitlán volcanoes bioregion which corresponds to the southern part of this Multiple Use protected area and is not included in the RVCP/FTF municipalities. In fact, the scope of the biodiversity and tropical forest assessment was focused in priority areas of great biodiversity, specifically the Maya Biosphere Reserve in Petén, the Motagua-Polochic system (includes Sierra de Las Minas). There is a generic overview within the report on ecosystems in the Western Highlands, but because of the actual conditions of human intervention on the natural ecosystems in this populated part of Guatemala, and not because it was identified as a priority area.¹
5. The USAID Guatemala biodiversity and tropical forest assessment² stated that there are endangered tree species like the Guatemalan fir (*Abies guatemalensis*), pinus chapensis (*Pinus chapensis*) and juniperus (*Juniperus comitana*) and bird species like the horned guan (*Oreophaps derbianus*), and the resplendent quetzal (*Pharomachros moccino*) that thrive in very high altitude, montane (cloud) forests. These environments are not suitable for agricultural activities because of natural conditions/limitations, and thus will not have activities from the RVCP.

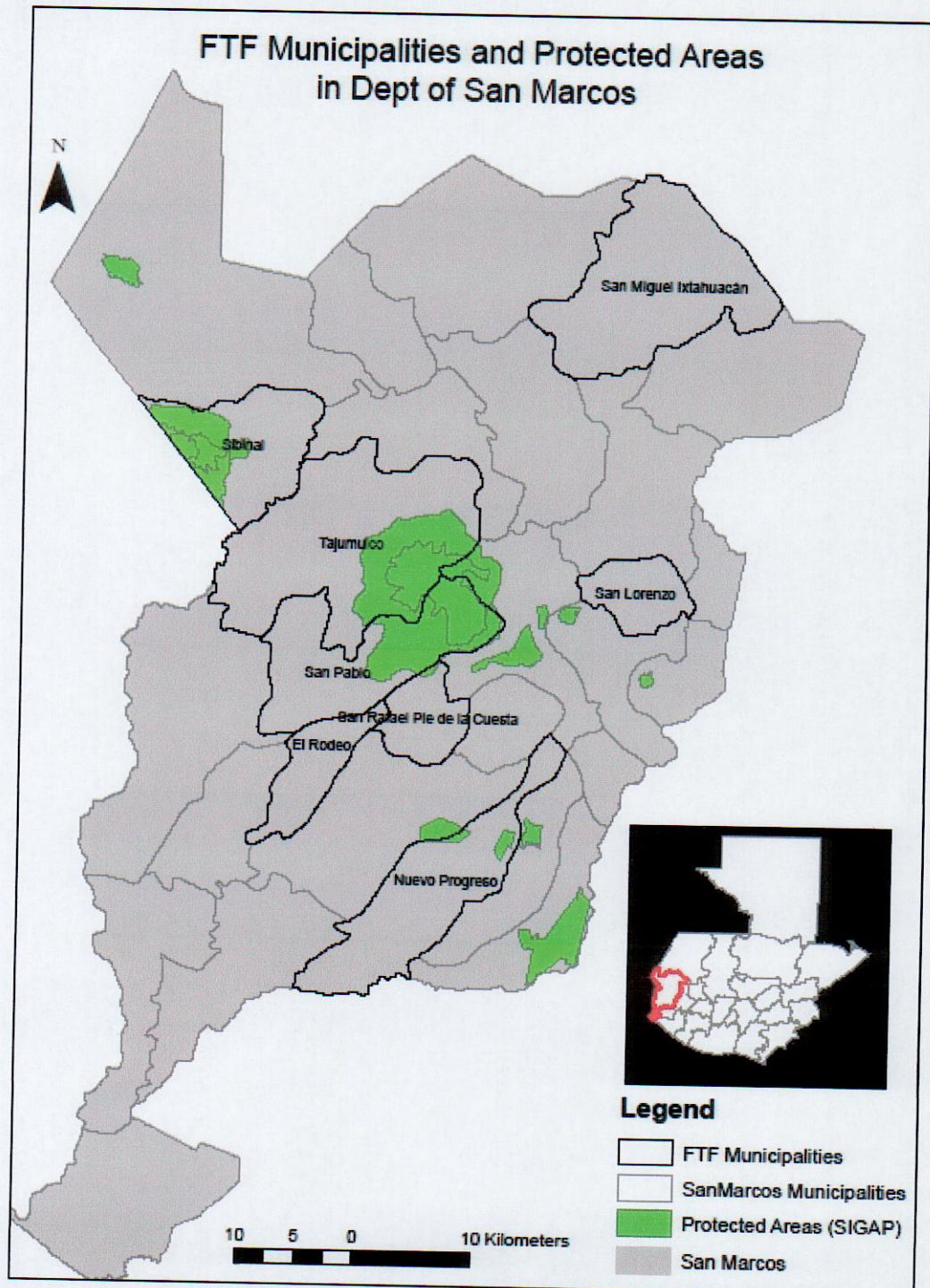
¹ 2010. USAID. Guatemala biodiversity and tropical forest assessment.

² 2010. USAID. Guatemala biodiversity and tropical forest assessment.

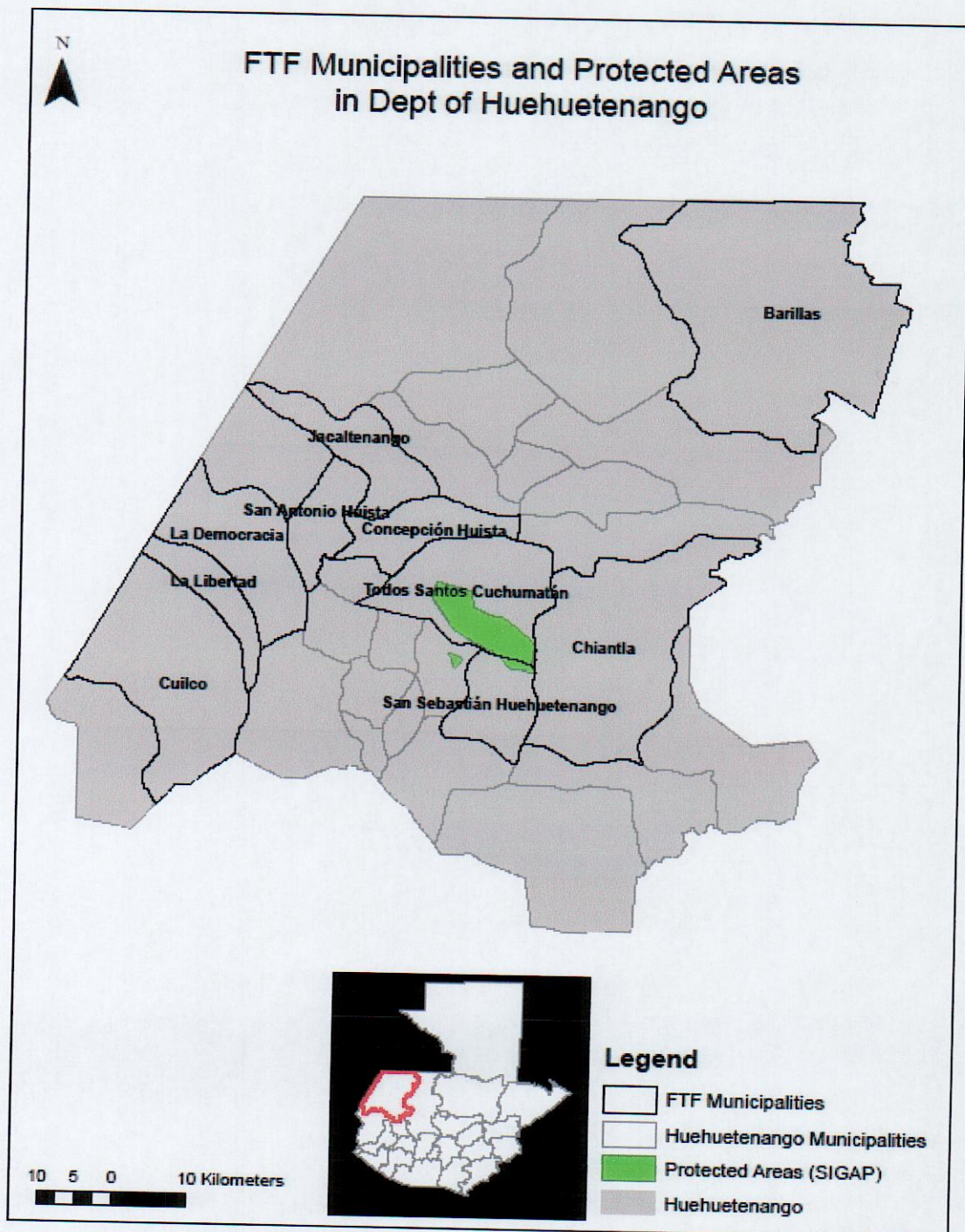
Map 1a



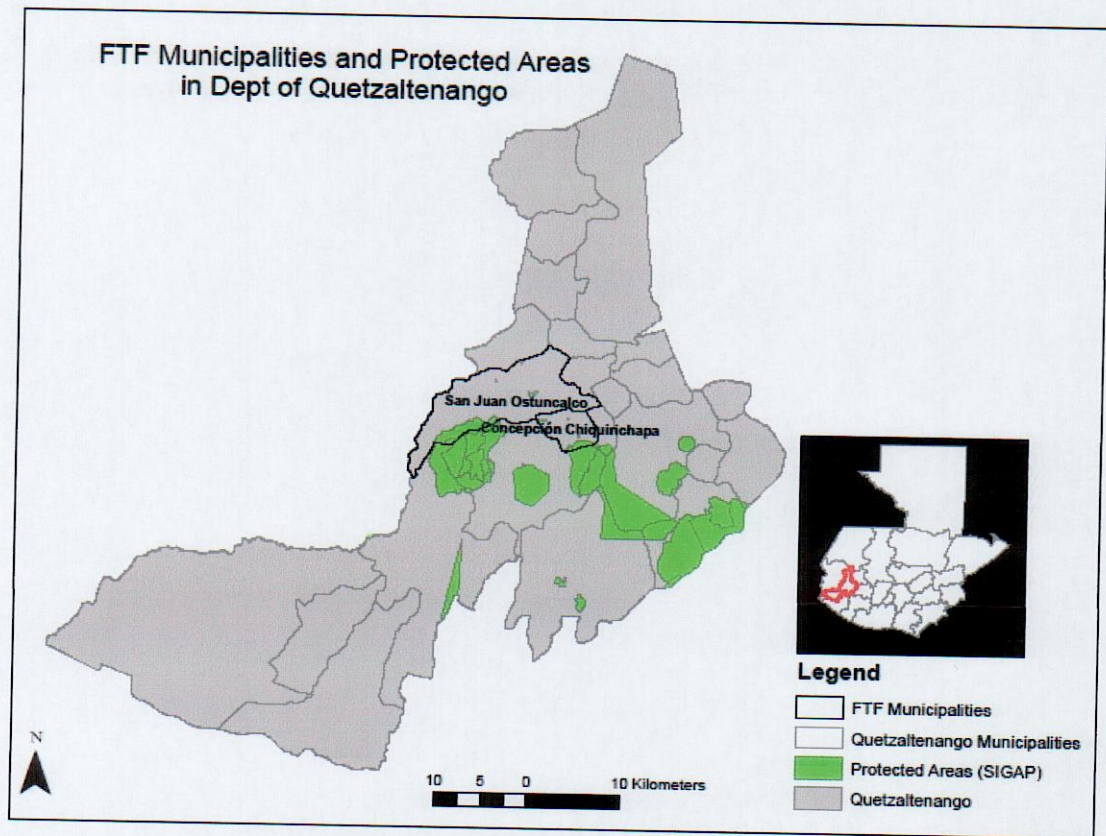
Map 1b



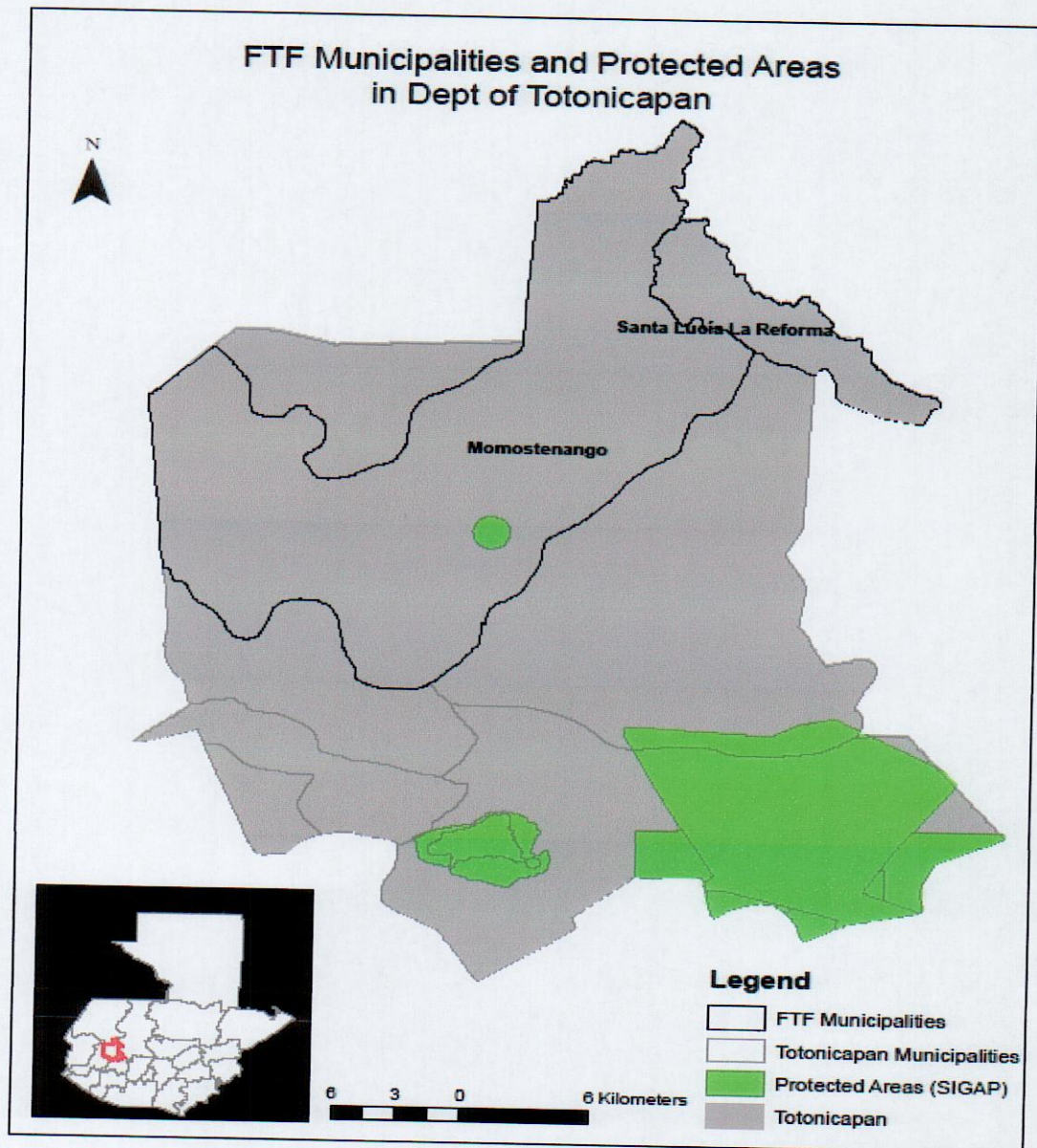
Map 1c



Map 1d

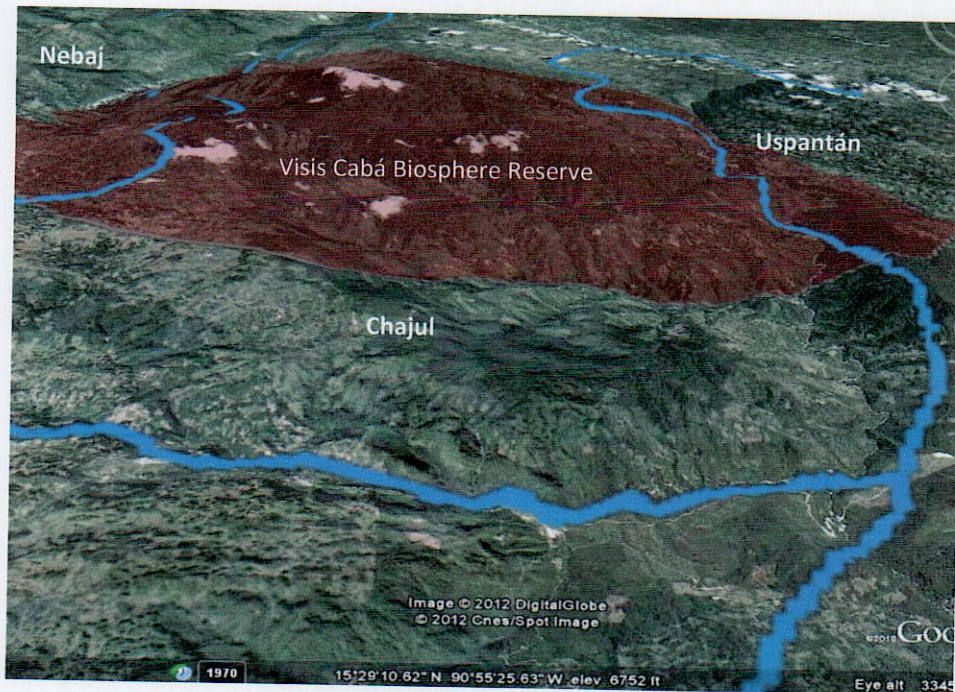


Map 1e

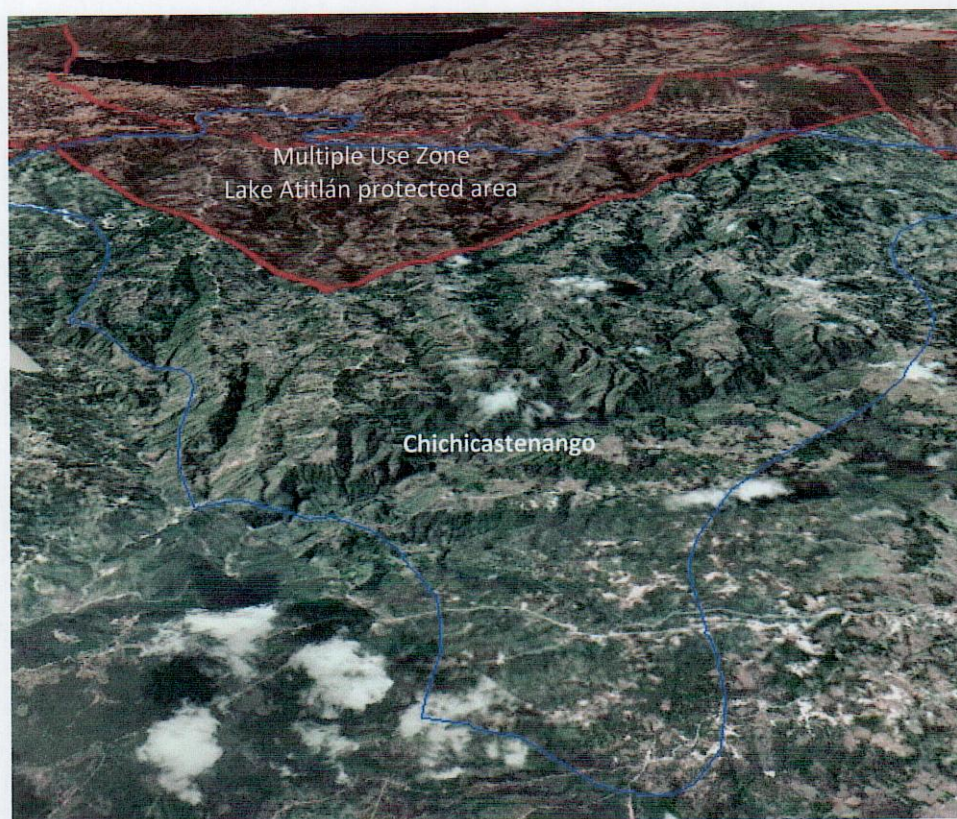


Maps 2a, b, c, d: Topography and location of protected areas within FTF municipalities

2a. Visis-Cabá biosphere reserve in the Quiché FTF municipalities of Nebaj, Chajul and Uspantán.

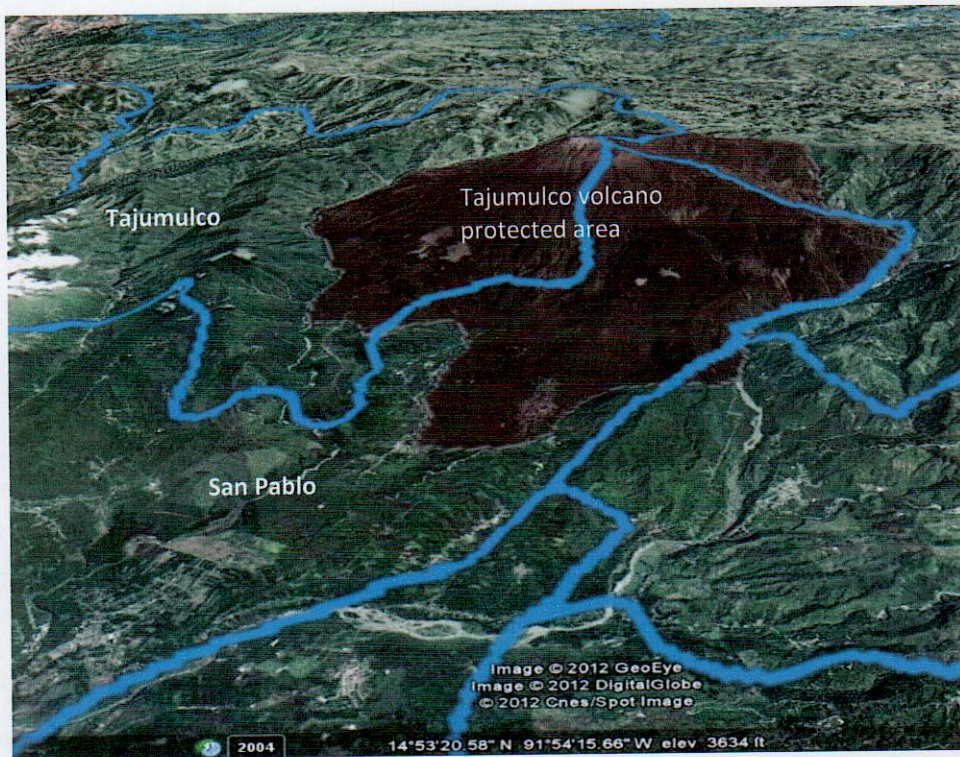


2b. Lake Atitlán protected area multiple use zone in the Quiché FTF municipality of Chichicastenango.

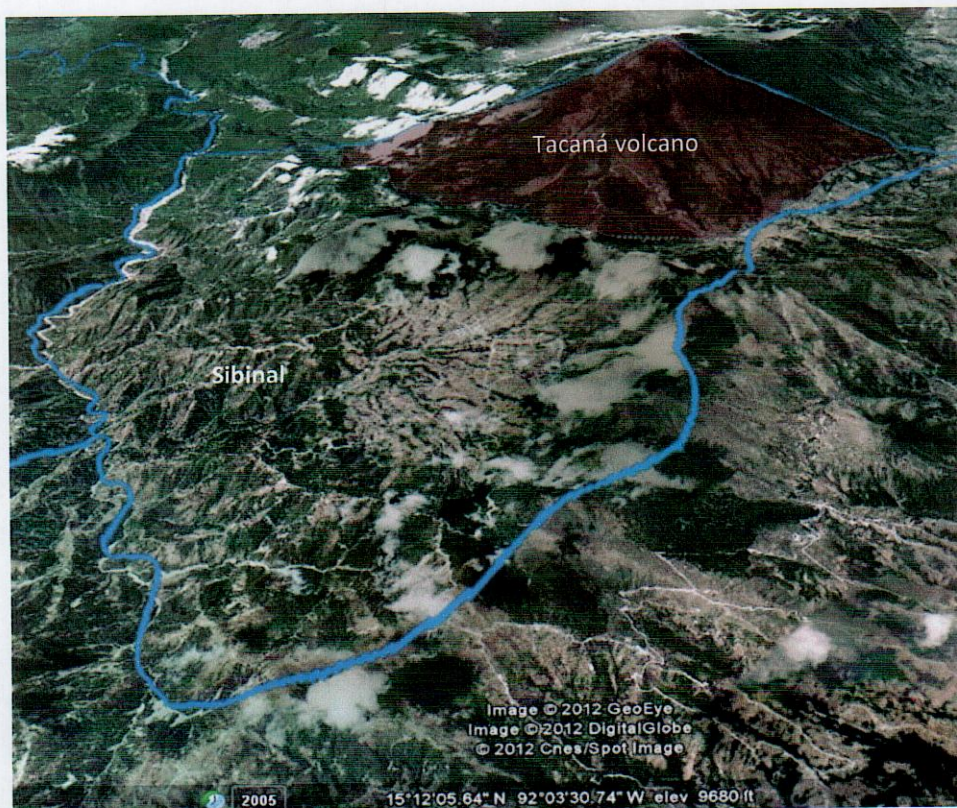


Note: In this specific case, the decree that establishes the Lake Atitlán Multiple Use Protected Area, states that: “Zonas de Manejo”, literal a.- Zona de Uso Múltiple: La zona de Uso Múltiple comprende áreas con agricultura intensiva y centros poblados en la parte media y baja de la cuenca.” (“Management zones, literal a.- Multiple Use Zone: The multiple use zone comprises areas with intensive agriculture and populated centers in the middle and lower parts of the watershed.”) In this case, if RVCP activities occur in the Multiple Use Zone, they will help to reduce fertilizer and pesticide pollution, as both horticulture and coffee crops will be managed following environmentally friendly certification schemes.

2c. Tajumulco protected area in the San Marcos FTF municipalities of Tajumulco and San Pablo.



2d. Tacaná protected area in the San Marcos FTF municipality of Sibinal.



2e. Todos Santos protected area in the Huehuetenango FTF municipality of Todos Santos Cuchumatán.

